



Sonora Crossing Project Fact Sheet

1. TransCanyon has reached agreement with CENACE, the Mexican Independent System Operator, to conduct a feasibility study on an important international transmission resource – the Sonora Crossing Project – from the APS system in the Yuma region connecting to the Mexican system at San Luis Rio Colorado, Sonora. The project entails the construction of approximately 17 miles of single-circuit 230-kilovolt transmission line from the proposed Orchard substation in Yuma to the border at San Luis, Arizona, crossing into Mexico and connecting to a substation at the Parque Industrial Internacional at San Luis Rio Colorado, Sonora, Mexico.
2. TransCanyon, LLC, an independent developer of electric transmission facilities, will develop, own and operate the project’s transmission facilities. TransCanyon is a joint venture between subsidiaries of Berkshire Hathaway Energy and Pinnacle West Capital Corporation.

In addition, TransCanyon is working with APS to become a 50 percent owner of the soon-to-be constructed North Gila-to-Orchard 230-kilovolt transmission line in northeast Yuma. The North Gila-to-Orchard line is a short but important line will offer great improvements to the reliability of the electric grid in the Yuma/San Luis region. North Gila-to-Orchard is also an essential link in the construction of the line from Orchard Substation to the border.

Because of the strategic partnership with APS and the investments by TransCanyon, APS customers will benefit from a 50 percent reduced cost of the North Gila to Orchard transmission line, which will strengthen grid reliability and power supply particularly in Yuma, but also throughout the APS system. Additionally, Mexico will benefit from ongoing market opportunities in the Southwest, including access to low-cost solar overproduction in California.

3. While the feasibility and technical analysis is still under way, it is estimated that the project will cost approximately \$50 million and provide 300 megawatts of bi-directional capability to move electricity. Should the analysis confirm the anticipated benefits to both Arizona and Mexico, and if the project is approved by the appropriate regulatory agencies in both countries, construction is expected to begin in September 2020 and operations in late 2021 to coincide with APS in-service plans for the North Gila-to-Orchard transmission line.
4. With the renewed emphasis and attention on the development of Mexico’s northern border zone by the incoming Lopez Obrado Administration in Mexico, projects of this nature grow in importance for the sustainable growth of the border region. TransCanyon is closely monitoring developments in Mexico to identify any possible impacts to Sonora Crossing.



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5. Among the various permits and federal and state compliance requirements, the project will require a Presidential Permit, federal permits under the U.S. National Environmental Permitting Act process and an Arizona state Certificate of Environmental Compatibility from the Arizona Corporation Commission.
6. Transmission customers will benefit from a single low-cost transmission rate from the CAISO, APS or IID systems at the North Gila substation to the CENACE-controlled Mexican transmission system.
7. The Yuma-San Luis region will benefit from the investment in infrastructure for the Sonora Crossing project and a stronger, more diverse supply of energy, which can be leveraged to attract high-quality employers to the region. With a robust bi-national electric transmission system, prospective companies that on reliable, predictable and cost-effective electric energy can look to Yuma-San Luis-San Luis Rio Colorado as an attractive region to invest.
8. Because the project greatly facilitates the effective use of available and future renewable energy resources, Sonora Crossing has the potential to further increase the clean energy mix in the desert Southwest and northwest Mexico. Customers throughout the West will benefit from increased grid reliability and access to a more diverse supply of energy as a result of the connection to the Western Energy Imbalance Market.

